

Meeting Notes
Bridge Enterprise Workshop
CDOT HQ
April 18, 2012

CBE Board of Directors/Executive Director: Director D. Hunt, Chairman S. Parker, Vice Chairman G. Reiff, G. Ortiz, K. Gilliland, K. Connell, L. Gruen, H. Barry, D. Aden and E. Peterson

CDOT Staff: T. Harris, S. McDaniel, B. Stein, L. Freedle, K. Hruska, T. Devito, D. Eller, T. Wrona, J. Olson, K. Neet, R. Akhavan, H. Stockinger, H. Morrow, M. Leonard and T. Bircher

BE Program Manager: K. Szeliga, M. Klopfenstein, and A. Gurulé

The meeting was led by Chairman Parker and the following items were discussed.

1. Chairman Parker called the meeting to order.
2. Notes from the March 21st, 2012 meeting were discussed.
 - Chairman Parker asked to clarify the OCIP/ROCIP acronym. B. Stein explained that OCIP/ROCIP meant Owner Controlled or Rolling Owner Controlled Insurance Program(s). CDOT has selected Lockton to conduct feasibility studies to determine if CDOT would benefit from either program.
 - Chairman Parker asked if a study had been completed documenting the impact of bonding now versus waiting in regard to potential interest rate increases. B. Stein responded with a Yes. As noted last month, the investment bankers recommend bonding now due to historic low interest rates; but there are other items CDOT must take into consideration. Primarily, can the work be completed and the money spent in the required time. In addition, the funding (and projected dollar value) of the I-70 viaduct is a major component on the program funding capacity. Chairman Parker asked if there is a worst case scenario, and B. Stein noted that he would forego bonding (in the short-term if interest rates were too high), and the program would default to a revenue-based pay-go program. B. Stein also noted that the program was developing a 10-Year program plan which is intended to address these questions.
3. L. Freedle presented the Proposed 11th Budget Supplement for FY 2012.
 - She noted there is one long lead item this month and the other actions are standard.
4. L. Freedle presented the Proposed FY 2013 Draft Program Budget.
 - L. Freedle noted that a budget for bonding expenses has been included to allow for bonding if the decision is to go in that direction.
 - L. Freedle also highlighted the following changes to the FY 2013 proposed budget: budget includes interest earnings, bond proceeds interest earnings, federal subsidy for BAB's, and a reduction in the scoping pools.
 - Director Aden asked if contingency was included in the plan, and B. Stein replied Yes. He also clarified that the debt service does include interest.
 - Approval of the budget will be presented for Board approval at the May Board meeting.
5. B. Stein discussed the Ten-Year Bridge Plan.
 - A program plan for the next ten years is being developed. B. Stein noted that since the program is underway (or matured), there should be some strategic planning to ensure smart funding and appropriate usage of available funding.

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- B. Stein further noted that (1) the program needs to be selective on what bridge(s) are addressed, (2) whether a bridge is replaced versus rehabilitated, and (3) eventually the program will NOT have the financial capacity to address the amount of “poor” bridges as projected by CDOT Staff Bridge.
 - The goal is - how far we can push out (or maximize) the program from a funding perspective.
 - The plan will look at bonding capacity, I70 viaduct funding, what can be funded and program limits.
6. T. Harris presented the 2012 List of “poor” rated structures.
- Staff Bridge released the yearly list of “poor” rated structures for 2012. A slide (see attached) was shown to highlight the changes in the number of poor bridges.
 - The program began with 128 bridges and this year there are 112 bridges rated poor.
 - T. Harris indicated that overall 48 bridges had been removed from the “poor” list when you compare the 2012 poor list with 112 structures to the FASTER eligible bridge list with 160 structures.
 - Chairman Parker asked when the revenue stream began. B. Stein noted that the fee collection began in July of 2009 and nothing significant until late 2009.
 - Commissioner Gilliland asked what causes a change to a bridge’s poor rating. The bridge can be replaced, repaired or re-inspected to cause removal from the list.
7. T. Harris presented the update of the 30 Worst Bridge table.
- The table has been updated to show what phase the 30 worst bridges from the original 128 list, 2010/2011 poor list, and the 2012 poor list.
 - An explanation of which bridges are remaining was provided.
8. T. Harris presented Moratorium on CM/GC Contract Delivery.
- T. Harris informed the Board that due to concerns in the construction industry (CCA) a moratorium (or temporary suspension) on CM/GC contract delivery has been put in place. Contractors are struggling with the newness of the process and contract selection process. He expects the pause to end by June 1st.
 - CDOT is currently educating the construction community on the process. A meeting was held in conjunction with FHWA to discuss CM/GC. There are lessons learned meetings taking place and training with CCA is scheduled for May 17th.
 - Director Aden asked about the benefits of CM/GC. S. McDaniel replied that CDOT noted a significant savings on a recent CM/GC project. There is also a time savings to the projects. T. Harris noted that CM/GC was recently described as building a project in which everyone is in unison. T. Devito highlighted the benefits of having the contractor available during the preconstruction phase.
 - The Directors asked what is the resistance to CM/GC. T. Harris explained that it is mainly the difference in contract selection. Traditional contracts are selected based on low bid and CM/GC uses a qualifications based selection process, so the bid must be written differently.

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9. Director Hunt highlighted the Ten Year plan. He pointed out that the intent is to show the balancing of bonding, spending and risks. Risks include delivery and spending requirements of bonds as well as construction costs. The plan can show the impact of funding I70 to Bridge Enterprise.
10. The meeting was adjourned.

End of Meeting Notes